GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Agricultural Marketing Department - The Sirpur Paper Mills (SPM), Khagaznagar, Adilabad regarding the unpaid dues of them to the Subabul farmers in 4 Districts, who were supplied raw material for their paper mill – Clear the pending dues to Subabul farmer from the CMF Funds – Orders – Issued.

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AGRICULTURE AND COOPERATION (AM.II) DEPARTMENT

G.O.RT.No. 698 Dated: 08-11-2017

Read the following:-

1. From the Collector & District Magistrate, Krishna, Lr.No.A2/93/2014, dt:13.06.2015.
2. From C&DoAM, A.P., Hyd., Lr. No SI(2)P1566 2015, Dt:24-09-2015.
3. From the C&DoAM, A.P., Guntur, Lr.No.S-Gen/1566/2015, dt:10.01.2017 and 13.04.2017.
3. From the Spl. C&DoAM, A.P., Guntur, Lr.No.S-Gen/1566/2015, dt:08.08.2017.
4. From the Spl. C&DoAM, A.P., Guntur, Lr.No.S-Gen/1566/2015, dt:04.10.2017.

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In the reference 1st read above, the Collector & District Magistrate, Krishna has informed that, the M/s Sirpur Paper Mills Ltd., Sirpur Kagajnagar, purchased subabul in Vijayawada region since 2005 and paid sale proceeds up to March, 2014. The said Paper Mills has not been clearing sale proceeds to farmers since April, 2014, in time and accumulated dues works out to Rs.13,58,10,114 to the Subabul farmers of AMC, Nandigama, Jaggaiahpet and Ongole. The Chairman, AMC, Nandigama and PAC, AMC, Jaggaiahpet have submitted proposals along with the AMC Resolutions to the Commissioner & Director of Agricultural Marketing for sanction of an amount of Rs.9,05,69,094/- for AMC, Nandigama (281 farmers) and Rs.76,28,984/- for AMC, Jaggaiahpet (38 farmers), totaling to Rs.9,81,98,078/- from Central Market Fund to clear the pending dues of subabul farmers on reimbursement basis and requested Government to sanction Rs.9,81,98,078/- as requested by the 2 AMCs on reimbursement basis from CMF in the interest of the farmers. He stated that as and when the Sirpur Paper Mills clear pending sale proceeds to the AMCs, the same amount may be reimbursed to C.M.F.

2. In the reference 2nd read above, the Commissioner & Director of Agricultural Marketing has informed that, the Collector and District Magistrate, Krishna / Machilipatnam issued notice to the Chairman, Sirpur Paper Mills Ltd several times for attending meetings to clear the pending dues to the subabul farmers. The Chairman did not attend the meetings and has not paid the pending dues to the farmers but as reported by the JDM, addressed a letter to Collector, Adilabad, to recover the pending dues from Sirpur Paper Mills td, Sirpur Kagaznagar under R.R.Act.

3. The Commissioner & Director of Agricultural Marketing has further informed that, the AMC, Nandigama, Jaggaiahpet in Krishna District and AMC, Ongole, of Prakasham District filed criminal case against Sirpur Paper Mills Ltd., to recover the dues. Sirpur Paper Mills approached the Hon'ble High Court and filed Crl.P.No.94 of 2015 against the criminal case filed by Nandigama, Jaggaiahpet in which the Hon'ble High Court issued orders dt.09.07.2015 that "Criminal case is dismissed and Nandigama Police are directed to complete the investigation in Cr.No.490 of 2014 within a period

of Three (3) months from the date of receipt of this order and file a report according to law. The farmers of the notified areas of AMC, Nandigama, Jaggaiahpet and Ongole have agitated and under gone relay hunger strike in all the concerned market yards for clearing their pending dues from AMC's Funds, in the past and in his report, dt:23.09.2015, he mentioned that agitation and closed the AMC, Nandigama on 21.09.2015 and 22.09.2015.

4. The Special Commissioner & Director of Agricultural Marketing has requested the Government to clear entire outstanding dues i.e, Rs.9,05,69,094/- to AMC, Nandigama, Rs.76,28,984/- to AMC, Jaggaiahpet and Rs.3,76,12,036/- to AMC, Ongole from CMF (Central Market Fund) on reimbursement basis in the interest of farmers.

5. The Special Commissioner & Director of Agricultural Marketing has informed that, a meeting was held in New Delhi with representatives of M/s Sirpur Paper Mills, to discuss regarding the recovery of dues to farmers for supplying Subabul / Eucalyptus during 2014-15. The paper mill representatives have accepted orally to pay only 70% of 15.18 Crores i.e. about Rs.10.63 crores as a onetime settlement with M/s Sirpur Paper Mills, Khagaz Nagar, Adilabad, which is stated to be actual dues in two installments as final settlement after agreeing for withdrawal of the criminal cases (7 Nos) booked against them. Since, the financial condition of the company is bad and therefore they are not able to pay the all dues.

6. In the mean while, the Special Commissioner & Director of Agricultural Marketing in the reference 4th read above, has informed that, the National Company Law Tribunal, Hyderabad Bench, Hyderabad in CP(IB) No.52/10/HBD/2017, filed by Rama Road Lines and others, Sirpur khagaz Nagar, vide orders dt:18.09.2017 allowed the company petition under Insolvency Bankruptcy Code – 2016 and appointed Shri Mahadev Tirunagari, Safari Nagar, Kondapur, Hyderabad, as interim Resolution Professional for initiation of Corporate Insolvency Resolution Process (CIRP) immediately under Insolvency Bankruptcy Code – 2016 and to receive all claims against the Corporate Debtor i.e. M/s Sirpur Paper Mills Ltd.

7. Government have taken cognizance that, M/s Sirpur Paper Mills Ltd., Sirpur Kagajnagar, purchased subabul in Vijayawada region since 2005 and they have not been clearing sale proceeds to farmers since April, 2014, in time. The accumulated dues works out to Rs.16.62 Crores to the Subabul farmers of Krishna, Guntur, Prakasam and SPSR Nellore Districts. Farmers are in distressed position for want of dues of their produce.

8. Taking all the above circumstances into consideration, Government after careful examination of the entire matter, hereby accord permission to the Special Commissioner & Director of Agricultural Marketing, A.P., Guntur to release an amount of 2/3rd (two thirds) of total principal amount pending due with M/s Sirpur Paper Mills, Khagaz Nagar, Adilabad to the farmers, who were supplied raw material ((Subabul, Casuariana, Eucalyptus) to said paper Mill, from Central Market Fund funds on reimbursement basis duly verifying genuineness of the farmers in the interest of welfare of farmers community. The Special Commissioner & Director of Agricultural Marketing is further directed that, as and when the claims are settled by National Company Law Tribunal, Hyderbad Bench, Hyderabad, the same amount to be remitted to CMF funds.

9. The Special Commissioner & Director of Agricultural Marketing, A.P., Guntur shall disburse the said amount through the District Collector & Magistrates of Krishna, Guntur, Prakasam and SPSR Nellore Districts in order to avoid litigations / complications in distribution of dues to the Subabul farmers.

10. The Special Commissioner & Director of Agricultural Marketing, A.P., Guntur shall take necessary action accordingly in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.Rajsekhar,
Spl.Chief Secretary to Government(FAC).

To
The Special Commissioner & Director of Agricultural Marketing, A.P., Guntur.
SF/SC.

//Forwarded by Order//

Section Officer